

Purpose of form

Use this form to calculate and pay estimated North Dakota income tax. Individuals generally must pay their income tax in one of two ways—through the withholding of income tax from their paychecks or through the payment of estimated tax. If you receive earnings from self-employment, interest, dividends, rents, and other types of income not subject to withholding, you may have to pay estimated tax.

Who must pay estimated tax?

You must pay estimated North Dakota income tax for the 2002 tax year if all four of the following conditions apply:

1. You are required to pay estimated federal income tax for the 2002 tax year. This condition applies whether or not you actually make the required payment(s) of estimated tax to the Internal Revenue Service.
2. Your net tax liability for the 2001 tax year was equal to or more than \$500.
Note: If you were not required to file a North Dakota income tax return for the 2001 tax year, your net tax liability for 2001 is zero for this purpose.
3. You expect to owe (after subtracting your estimated North Dakota income tax withholding) an amount equal to or more than \$500 for the 2002 tax year.
4. You expect your estimated North Dakota income tax withholding for the 2002 tax year to be less than the smaller of:
 - a. 90% of your net tax liability for the 2002 tax year.
 - b. 100% of your net tax liability for the 2001 tax year.

Note: If you moved into North Dakota during 2001 and had no income from North Dakota prior to the move, part b does not apply; you must satisfy the 90% threshold in part a.

How to determine your estimated tax

Complete the worksheet on page 2. The worksheet is set up only for individuals who will use Form ND-1 for the 2002 tax year. See **Form ND-2 (Optional method)** below if you plan on using Form ND-2 for the 2002 tax year.

For line 1 of the worksheet, estimate your federal taxable income for the 2002 tax year using the 2002 Form 1040-ES, the federal estimated tax form for individuals. See the instructions to the 2001 Form ND-1 for information on the adjustments on lines 2 and 4, and the credits on line 8, of the worksheet.

Married persons filing separate returns.

If you are married and plan to file separate federal and North Dakota income tax returns for the 2002 tax year, you and your spouse must make separate estimated tax payments based on your separate incomes. Each of you should obtain and complete Form 400-ES to determine your separate estimated tax payments.

Form ND-2 (Optional method). If you plan on using Form ND-2 (Optional method) for the 2002 tax year, use a 2001 Form ND-2 to calculate an estimated North Dakota income tax (before subtracting any credits or withholding). Enter this amount on line 8 of the worksheet on page 2, and complete the remaining lines of the worksheet as instructed.

Payment amounts and due dates

In general, one-fourth (25%) of the total estimated tax that you are required to pay (from line 14 of the worksheet) must be paid by each of the following due dates:

- 1st installment April 15, 2002
- 2nd installment June 15, 2002
- 3rd installment September 15, 2002
- 4th installment January 15, 2003

The above due dates apply if your tax year is a calendar year—January 1 through December 31, 2002. However, if you file on a fiscal year basis—i.e., your tax year starts on a day other than January 1—the installments are due on the 15th day of the 4th, 6th, and 9th months of the current tax year, and the 15th day of the 1st month of the following tax year. If any installment due date falls on a Saturday, Sunday, or legal holiday, the installment is not due until the next business day.

Farmers—If you qualify as a farmer for federal estimated income tax purposes for the 2002 tax year, you may pay your estimated tax according to the general rules explained above, or you may pay the full amount of your estimated tax due by January 15, 2003.

Note: Regardless of the option chosen, you have until the regular due date (generally, April 15, 2003) to file your 2002 North Dakota individual income tax return.

Note: The tax calculation in the worksheet (on page 2) does not take into account the 3-year income averaging on Schedule ND-1FA.

Part-year requirement—If you are a full-year nonresident or you changed your residence to North Dakota during the 2002 tax year, and you do not receive income from North Dakota sources until after the first installment due date (generally, April 15, 2002), you must pay the required estimated tax in equal payments over the remaining installment due dates following the receipt of income from North Dakota sources.

How and where to pay

Complete the estimated tax payment voucher for the applicable installment due date and submit it along with your check or money order made payable to **State Tax Commissioner**. To ensure proper credit to your account, please write your social security number and “2002 Form 400-ES” on your check or money order. Mail your payment and voucher to:

Office of State Tax Commissioner
State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0551

Underpayment or late payment interest

Interest may be charged if you do not pay enough estimated tax, or if you do not make the payment on time or in the required amount. This applies even if you have a refund on your 2002 North Dakota individual income tax return. Interest is calculated at the rate of 12% per year from the installment due date to the earlier of the date the estimated tax is paid or the regular due date of the return (generally, April 15, 2003).

Need help?

If you have questions or need forms, call toll free in North Dakota 800-638-2901. In the Bismarck-Mandan area, or from outside North Dakota, call (701) 328-3450. If speech or hearing impaired, call Relay North Dakota at 800-366-6888, and ask for 800-638-2901.

You may also write to us at the following address:

Office of State Tax Commissioner
State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0599

E-mail: taxinfo@state.nd.us

Web site: www.ndtaxdepartment.com

Privacy Act information—In compliance with the Federal Privacy Act of 1974 (Public Law 93-579), the disclosure of the individual's social security number on this form is mandatory and is required under subsections 1 and 7 of North Dakota Century Code § 57-38-31. An individual's social security number is used as an identification number by the North Dakota Office of State Tax Commissioner for file control and recordkeeping purposes, and for cross-checking the individual's files with those of the Internal Revenue Service.

2002 estimated income tax worksheet—individuals

1. Estimated federal taxable income for the 2002 tax year (*from worksheet in 2002 Federal Form 1040-ES*) 1 _____
2. Addition adjustments—see the 2001 Form ND-1 instruction booklet (lines 2 and 3) for required adjustments 2 _____
3. Balance (*Add lines 1 and 2*) 3 _____
4. Subtraction adjustments—see the 2001 Form ND-1 instruction booklet (lines 6 through 11) for allowable adjustments ... 4 _____
5. North Dakota taxable income (*Subtract line 4 from line 3*) 5 _____
6. North Dakota income tax—calculate the tax for the amount on line 5 as follows 6 _____
 - If a full-year resident, calculate the tax using the applicable 2002 Form ND-1 Tax Rate Schedule below.
 - If a full-year nonresident or part-year resident, complete lines 15 through 19 below.
7. Credits—see the 2001 Form ND-1 instruction booklet (lines 16 through 20) for allowable credits 7 _____
8. Net tax liability (*Subtract line 7 from line 6*) 8 _____
9. Estimated North Dakota income tax withholding for the 2002 tax year 9 _____
10. Balance due (*Subtract line 9 from line 8*). If the amount on this line is less than \$500, stop here; you do not have to pay estimated tax for the 2002 tax year 10 _____
11. Multiply line 8 by 90% (.90) 11 _____
12. Net tax liability from 2001 Form ND-1, line 22, or from 2001 Form ND-2, Tax Computation Schedule, line 12. If you were not required to file a 2001 return, enter 0. If the amount on this line is less than \$500, stop here; you do not have to pay estimated tax 12 _____
13. Enter the smaller of line 11 or line 12. However, if you were not required to file a 2001 return, or if you moved into North Dakota during the 2001 tax year and had no income from North Dakota prior to the move, enter the amount from line 11. If line 9 is equal to or greater than the amount on this line, stop here; you do not have to pay estimated tax 13 _____
14. Minimum annual payment (*Subtract line 9 from line 13*). Divide this amount by four to determine the amount to pay on each installment due date. See **Payment amounts and due dates** in the instructions on page 1 for the due dates and for exceptions to paying in four installments 14 _____

Full-year nonresident or part-year resident tax calculation only (lines 15 through 19)

15. Calculate the tax for the amount on line 5 using the applicable 2002 Form ND-1 Tax Rate Schedule below 15 _____
16. Income from North Dakota sources. Enter the portion of your estimated federal adjusted gross income that is reportable to North Dakota (except U.S. obligation interest) 16 _____
17. Estimated federal adjusted gross income (reduced by U.S. obligation interest) 17 _____
18. North Dakota income ratio (*Divide line 16 by line 17. Round to nearest two decimal places.*) 18 _____
19. Multiply line 15 by line 18. Enter this amount on line 6 above 19 _____

2002 Form ND-1 Tax Rate Schedules**Single**

If North Dakota taxable income is: Your tax is equal to:

Over	But not over	
\$ 0	\$ 27,950	2.1% of North Dakota taxable income
27,950	67,700	\$ 586.95 + 3.92% of amount over \$ 27,950
67,700	141,250	2,145.15 + 4.34% of amount over 67,700
141,250	307,050	5,337.22 + 5.04% of amount over 141,250
307,050		13,693.54 + 5.54% of amount over 307,050

Married filing jointly and Qualifying widow(er)

If North Dakota taxable income is: Your tax is equal to:

Over	But not over	
\$ 0	\$ 46,700	2.1% of North Dakota taxable income
46,700	112,850	\$ 980.70 + 3.92% of amount over \$ 46,700
112,850	171,950	3,573.78 + 4.34% of amount over 112,850
171,950	307,050	6,138.72 + 5.04% of amount over 171,950
307,050		12,947.76 + 5.54% of amount over 307,050

Married filing separately

If North Dakota taxable income is: Your tax is equal to:

Over	But not over	
\$ 0	\$ 23,350	2.1% of North Dakota taxable income
23,350	56,425	\$ 490.35 + 3.92% of amount over \$ 23,350
56,425	85,975	1,786.89 + 4.34% of amount over 56,425
85,975	153,525	3,069.36 + 5.04% of amount over 85,975
153,525		6,473.88 + 5.54% of amount over 153,525

Head of household

If North Dakota taxable income is: Your tax is equal to:

Over	But not over	
\$ 0	\$ 37,450	2.1% of North Dakota taxable income
37,450	96,700	\$ 786.45 + 3.92% of amount over \$ 37,450
96,700	156,600	3,109.05 + 4.34% of amount over 96,700
156,600	307,050	5,708.71 + 5.04% of amount over 156,600
307,050		13,291.39 + 5.54% of amount over 307,050

**1ST
INSTALLMENT
FORM 400-ES**

Date paid

Amount paid

Check number

2002 Form **400-ES** North Dakota Office of State Tax Commissioner **1st installment**
Estimated tax payment voucher—individuals ➤ Due **Apr. 15, 2002**

Print or type

Your first name and initial	Last name	Your social security number
If joint estimate, spouse's first name and initial	Last name	Your spouse's social security number

Mailing address	Amount of payment	\$
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City, state, and zip code	For Tax Department use only
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- Make check or money order payable to "State Tax Commissioner"
- Write social security number(s) and "2002 Form 400-ES" on check or money order
- Mail to: Office of State Tax Commissioner, State Capitol, 600 East Boulevard Avenue, Bismarck, ND 58505-0551

**2ND
INSTALLMENT
FORM 400-ES**

Date paid

Amount paid

Check number

2002 Form **400-ES** North Dakota Office of State Tax Commissioner **2nd installment**
Estimated tax payment voucher—individuals ➤ Due **June 15, 2002**

Print or type

Your first name and initial	Last name	Your social security number
If joint estimate, spouse's first name and initial	Last name	Your spouse's social security number

Mailing address	Amount of payment	\$
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City, state, and zip code	For Tax Department use only
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- Make check or money order payable to "State Tax Commissioner"
- Write social security number(s) and "2002 Form 400-ES" on check or money order
- Mail to: Office of State Tax Commissioner, State Capitol, 600 East Boulevard Avenue, Bismarck, ND 58505-0551

**3RD
INSTALLMENT
FORM 400-ES**

Date paid

Amount paid

Check number

2002 Form **400-ES** North Dakota Office of State Tax Commissioner **3rd installment**
Estimated tax payment voucher—individuals ➤ Due **Sept. 15, 2002**

Print or type

Your first name and initial	Last name	Your social security number
If joint estimate, spouse's first name and initial	Last name	Your spouse's social security number

Mailing address	Amount of payment	\$
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City, state, and zip code	For Tax Department use only
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- Make check or money order payable to "State Tax Commissioner"
- Write social security number(s) and "2002 Form 400-ES" on check or money order
- Mail to: Office of State Tax Commissioner, State Capitol, 600 East Boulevard Avenue, Bismarck, ND 58505-0551

**4TH
INSTALLMENT
FORM 400-ES**

Date paid

Amount paid

Check number

2002 Form **400-ES** North Dakota Office of State Tax Commissioner **4th installment**
Estimated tax payment voucher—individuals ➤ Due **Jan. 15, 2003**

Print or type

Your first name and initial	Last name	Your social security number
If joint estimate, spouse's first name and initial	Last name	Your spouse's social security number

Mailing address	Amount of payment	\$
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City, state, and zip code	For Tax Department use only
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- Make check or money order payable to "State Tax Commissioner"
- Write social security number(s) and "2002 Form 400-ES" on check or money order
- Mail to: Office of State Tax Commissioner, State Capitol, 600 East Boulevard Avenue, Bismarck, ND 58505-0551